

D/E

DEC 1959

7 December 1959

TO: Assistant Director for Research and Reports  
FROM: Chief, Economic Research Area  
SUBJECT: Activity Report for the Month of November 1959

*[Handwritten signatures and initials: LCP, B.D., Jde, C.E. Hoff]*

Support Activities

Intra-Agency Support

1. During November ORR support for OCI involved preparation of articles covering agricultural developments throughout the Bloc, transport activities in China and the USSR, the Czech Five-Year Plan, and Bloc economic activity in India, Greece, the industrial west, Ethiopia and the UAR. Contributions were also made to two issues of the OCI publication, "Survey of Recent Communist Policies and Activities." Support for OCI in the last several months has taken an unusual turn in that the relatively low level of new Bloc activities in underdeveloped areas has required resistance to attempts by OCI Free World Area analysts to publish on the basis of inappropriate reports.

2. DD/DCI support included preparation of NSC/OCB Briefing contributions on Soviet missile production, Latin America, China, and the Bloc harvest.

3. Mr. <sup>25X1A9a</sup> [redacted] Ch/E, and Mr. <sup>25X1A9a</sup> [redacted] Ch/D/A, accompanied the DCI at his presentation before the Subcommittee on Economic Statistics of the Joint Economic Committee of Congress. The Director's statement on Soviet Economic Growth was prepared by ERA.

4. A/U prepared a special report for Mr. <sup>25X1A9a</sup> [redacted] (Ass't. to DD/I (NSC)) on "Feasibility of Budgetary Controls as an Arms Control Measure." In addition, this material plus other background material was provided to the <sup>25X1A5a1</sup> [redacted]

Extra-Agency Support

<sup>25X1A9a</sup> 5. Mr. [redacted] Ch/E, supported by material prepared by A/E, briefed the Honorable Edward Page, Jr., Minister-designate to Bulgaria, on the current economic situation in the area.

*[Handwritten signature]*

6. Ad hoc USIB Watch Committee support requirements have declined consistently since the "Spirit of Camp David" came in to being. In November, such support has generally concerned the situation in Poland and East Germany and the Bloc arms trade with Asia and Africa.

7. In response to Senator Javits' request to the DCI, D/A is preparing a study -- with contributions from State and Defense -- on "Costs and Benefits to the Soviet Union in its Alliances Compared to the United States and its Alliances."

8. EURATIC, Wiesbaden, supported by AFOIN and AFIC, protested an impending shipment of quantum meters (instruments for determining the composition of metals) from a subsidiary of a U.S. firm to the USSR. Members of S/TD and I/PE assisted the DCI and the EE Division of DD/P by providing technical support and convening a meeting of Air Force, Commerce, State, and CIA which resulted in a determination by the Acting Secretary of Commerce not to intervene with the parent firm.

9. S/TD developed a list of companies engaged in the Argentine borax trade for the use of the Departments of the Treasury (Foreign Assets Control), and Commerce to determine whether U.S. interests are involved in Bloc trade in borax.

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10. Messrs. [REDACTED] I/EE, continued to provide intelligence support on economic defense matters in connection with the 1959 COCOM list review. [REDACTED] spent five weeks in Paris in direct support of the negotiations. Many items have been successfully negotiated, although several of the more important electronics items remain disagreed and have been carried over to the second round of the negotiations. These include microwave communications equipment, line carrier communications equipment, electronic computers, magnetic tape equipment, and airborne electronic equipment. These items constitute areas of great interest to other participating countries as they cover equipment where the greatest amount of trade may take place in the event of substantial relaxation of controls.

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11. [REDACTED] I/PE, participated in a meeting called by the Office of the Secretary of Defense to discuss information developed by OSD analysts on Soviet production of high-speed grinding machines which appeared to contradict intelligence previously supplied by I/PE for the COCOM fact sheet. [REDACTED] satisfied this interagency group that I/PE had already considered the information in question and that it did not change the CIA evaluation of Soviet capabilities in this field.

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12. A number of visitors from the [REDACTED] were briefed by appropriate KRA branches during the month.

13. M/FP provided support to the Office of Oil and Gas, Department of Interior, in connection with a problem concerning the advisability of training Iraqi technicians in the use of petroleum refining equipment.

14. Representatives of the periodical, [REDACTED] were briefed by M/FM, 25X1A5a1  
M/NF, I/PE, A/U, and A/E on the outlook for the USSR and EuSats steel and  
metalworking industries in 1960. 25X1A9a 25X1A5a1

[REDACTED]

25X1A9a 16. [REDACTED] A/E, briefed [REDACTED] 25X1A5a1  
at the request of the D/I on the subject of the Polish Economy.

Research Planning and Consultation, Program Development and Special Projects

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17. Mr. [REDACTED] completed his temporary tour of duty with  
A/U. He directed his research to a case study of "Informal Relations  
in Soviet Industrial Management."

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[REDACTED]

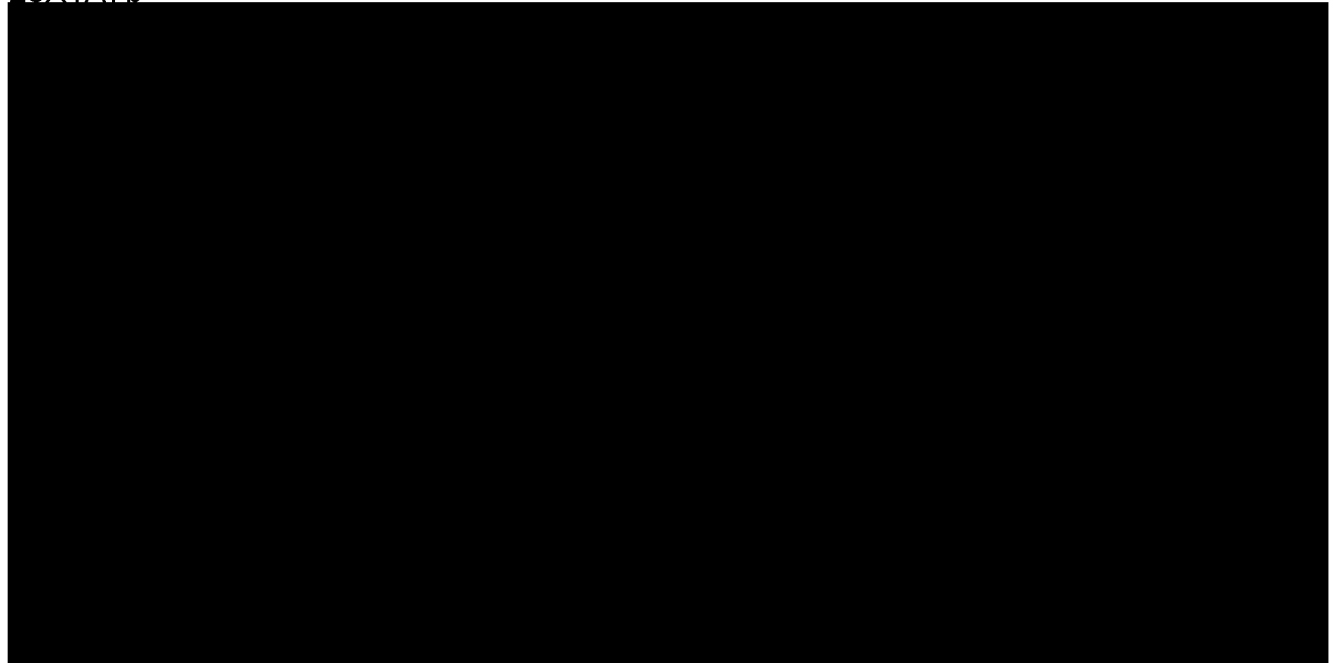
21. Members of I/EM met with representatives of Department of Defense Supply and Logistics, Air Material Command, Army Ordnance and the Electronics Production Resources Agency to discuss and acquire cost data on the electronic components of US missile systems for the branch project "The Impact of Guided Missile Requirements on the Electronics Industry of the USSR."

Relations with Collectors

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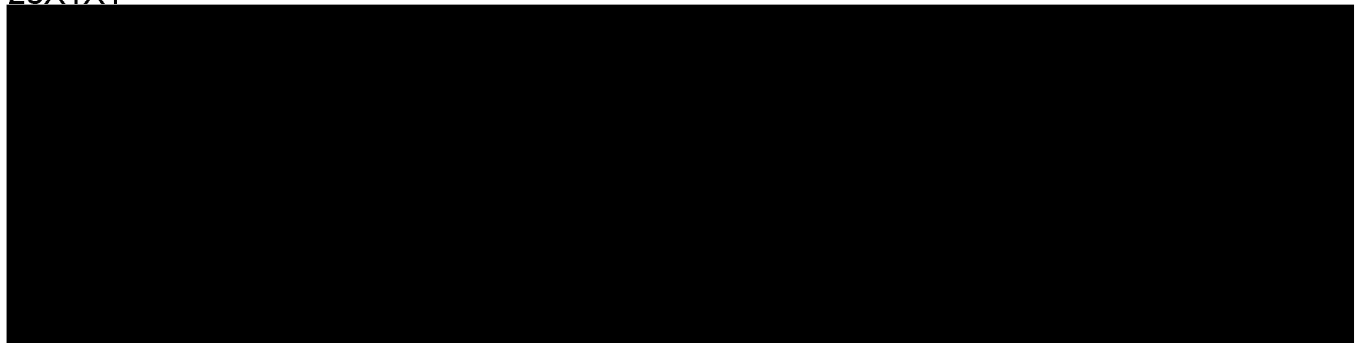
25. S/TR and I/GM participated with representatives of St/I, and D/GG in the preparation of a staff study assessing the requirement for more intensive collection and analysis of information on the Soviet rail network in selected areas: [REDACTED]

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[REDACTED] The study recommends establishment of a small ORR task force to spearhead such an intensified effort.

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**Recommendations**

26. Col. R. J. Mason, USAF, Director of Targets, ACS/Intelligence has expressed appreciation for the recent assistance and cooperation of ORR analysts to the Missiles and Astronautics Branch. Specifically mentioned were Messrs. [REDACTED]

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25X1A9a 29. Chief, OO/C has commended the efforts of I/CM, and particularly [REDACTED] for assistance to his Division in connection with Operation 25X1A2g

Miscellaneous

25X1A9a 30. Mr. [REDACTED] Ch/E, presided at a debriefing of Mr. Meyer Kestnbaum, Special Assistant to the President, who accompanied the Vice President on his recent tour of the Soviet Union. Other ERA participants were: 25X1A9a  
Mr. [REDACTED]  
Mr. [REDACTED]

31. During November, Messrs [REDACTED] visited universities in the South and Middle West respectively as part of the 1959 ERA recruiting campaign. 25X1A9a

25X1A9a 32. Mr. [REDACTED] I/FE, is preparing an integrated plan for training analysts on basic manufacturing processes. Present training consists mostly of plant visits. It is believed that an organized approach using a combination of books, films, and plant visits would be more beneficial than occasional plant trips alone.

33. Chief, D/I, participated in a discussion with representatives of Strategic Air Command in connection with SAC's program to computerize the recovery and analysis of intelligence information. This system is supposed to be operationally feasible around 1964.

34. M/CH report, CIA/RR IM 59-13, "Survey of Activities in East Germany Relating to Chemical Rocket Propellants", 2 August 1959, S., was reprinted as the lead article in the NORAD Weekly Intelligence Review, 25 September 1959.

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[REDACTED]

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St/PR/RR: [REDACTED] b1w/4017 (7 Dec 59)